

eCommerce Logistics Challenges



In an eCommerce business where the main impetus is on timely delivery, logistics plays a very pivotal role. Without having a well-developed logistics and shipping process in place, your whole eCommerce business may fall flat in one go. As such, it is imperative that you need to have an idea about how to have a good logistics in place so that the operations are seamless and the scope for risks is minimized to a great extent. With the [world turning into a global village](#) and commercial boundaries expanding like never before, the need for logistics is being felt at all quarters in an online business. Still, there are significant challenges that plague logistics in an eCommerce business.

Some of the challenges faced by eCommerce businesses in logistics:

Seamless Shipping and Delivery of Products

In a recently concluded research conducted by a program named 'Shopping 2020', it was concluded that "eCommerce is booming, and will continue to do for the coming years". According to the research, the number of parcels that are being shipped has grown annually by a whopping 18% on an average across the world. However, the main challenge lies in properly [shipping and delivering](#) these parcels right on time by using logistical means. While there are natural calamities, there are political instabilities too that hinder logistics in a lot of areas across the world. This reduces the seamless flow of the business and hence affects profits.

Who will Operate Logistics Part

Logistics is perhaps that stage of an eCommerce business when the whole digital operation gets transformed into an offline delivery platform. This is where the main challenge comes into play. Lots of

times, eCommerce companies get confused whether to [take help of third party logistic agencies](#) or do this whole task themselves. Moreover, [finding a premier or reputed third party agency](#) also incurs cost and research. Many a times, the substandard performance of a third party agency can impact logistics and ruin the whole goodwill of an eCommerce business. As such, it is a challenge to employ the right logistics agency with the right amount of budget.

How to handle Extra Expenditure and Management

Even if the eCommerce company decides to carry out the logistics themselves, they need to have a complete management process for that. This would mean more resources and more expenditure to carry out the whole process. For a small geographical area, the process can be easy to carry out, but the real challenge lies in case of a vast nation or overseas shipping and delivery.

Cash on Delivery Frauds

Certain delivery and payment methods may also [pose a challenge](#) when it comes to logistics in eCommerce. For example, in a payment channel like Cash on Delivery (COD), the chances of fraudulent activities, non-payment and undue payments take place. This adds to the loss of revenue.

Last but not the least; human habits and perceptions are also a challenge when it comes to logistics. The sincerity, professional attitude and promptness of the delivery or courier person may affect logistics to a great extent. In the same way, the perception and behavior of customers also play role in ensuring proper logistics and flow of the items.

While high volume growth can be a boon for the business, care needs to be taken to ensure that logistics keeps pace with this growth. If the two go hand in hand, an eCommerce business will prosper leaps and bounds.